

Vermont Comprehensive Economic Development Strategy

Proposed Project Overview

I. Project Name

4-10 word title

Vermont Accelerator Program

II. Lead Organization

Which organization or agency will be the primary entity responsible for the project?

Agency of Commerce and Community Development

III. Primary Contact Person

Contact information including, name, title, organization, phone, and email for the person responsible for project submission and providing additional information if needed.

Fred Kenney

Lars Hasselblad Torres

IV. Project Description

200 words or less description of the project including what infrastructure or services are being proposed? how they will be delivered? Starting when and for how long? Targeted clients, customers, or citizens?

A program to seed shared work environments (“coworking” spaces) and startup “accelerators”. A coworking space is commonly seen as a shared work environment where freelancers, telecommuters and startup founders work independently, together. Coworking spaces tend to cultivate a strong sense of community identity, usually through events and informal activities. An accelerator is a structured environment where, often in exchange for equity, a startup team receives free workspace and support services for a short period of time, often about six months. While a coworking space is typically open to anyone who wishes to join, an accelerator program draws on a carefully selected cohort of participants.

Three goals of the Vermont Accelerator Program are to:

- Create a visible, publicly accessible “story” about Vermont’s creative economy as it grows around the state;
- Lower the risks associated with locating a professional or business presence downtown and starting up a new business;
- Provide a framework for the delivery of key services to startups, including networking, mentoring, promotion, workshops and training;

Vermont Coworking and Accelerator Initiative

The Vermont Accelerator Program will assist Vermont's growing independent workforce and support the growth and success of startups by growing a network of dynamic work spaces throughout the state that a) concentrate talent downtown; b) create markets of ideas, talent and resources; c) lower the cost of a business presence on Main Street; d) establish a platform for sharing, learning and networking; e) provide a "one stop" location for mentoring and related support services; and f) facilitate the free-flow of ideas, products and services state-wide.

The program envisions seeding a network of sites across the state that will enable participants to access the facilities and resources of any other site; this provides greater flexibility and business development opportunities state-wide. Each site will be multitenant facility with onsite management responsible for ensuring continuity of operations, programming, marketing and outreach, and related activities.

Seed resources will include finance and technical assistance.

Coworking

The coworking aspects of the program require a membership structure, minimal cash flow, furnishing and basic services to ensure an appealing, functional work environment for its users. For a period of time it may be important to provide a "community manager" who can establish an open and inviting culture and ensure that events are organized and executed effectively. Over time, the coworking community must adopt its own leadership and volunteer processes to thrive.

Accelerator

In addition to providing no-cost shared work space for its members, an accelerator program must ensure a competitive application and selection process, a focused suite of oversight and mentoring services, and regular opportunities for its members to network with investors and potential customers. The Agency will work in partnership with accelerator founders to establish a financial model, local management framework, advisory board, and partners to ensure an effective program in response to local, state and regional opportunities.

Project funding will provide start-up capital for coworking and accelerator spaces throughout the state as well as follow-on support in the form of technical assistance (grant applications, oversight). Each site will be selected through a competitive process at the Agency of Commerce.

V. Project Assessment

Projects will be assessed by the CEDS Committee based on the seven primary criteria, in addition to others listed below. For each provide a brief description (1-2 paragraphs for each) of how the project intends to address or impact these criteria.

1. *Jobs* (creation and/or retention): Project is intended for employment expansion, through new direct hires and/or contracting.

Vermont Coworking and Accelerator Initiative

2. *Investment* (private sector investment generation): Accelerator program requirements include efforts to attract and match investment by private sector actors including angels, banks, and VCs and the use of new tools like Kickstarter.
3. *Income and Wealth* (increase income and wealth of Vermont residents): Project can demonstrate net new spending in a downtown through increased concentration of workers in a downtown area. The project would generate income and wealth for coworking participants and accelerator startups.
4. *Resiliency* (increase the ability of Vermont's economy to positively adapt to change): The project increases entrepreneurship and innovation and adds to the creation of new products and services as well as the diversity of business types in each region and the state.
5. *Collaboration* (across public and private sector, state agencies, regional and local governments, and other stakeholders): The project relies heavily on collaboration between the Agency of Commerce, the accelerator founders and managers, and the networks and partnerships developed by each incubator. A scoring criteria for funding is the strength of the partnerships and collaboration with existing service providers to ensure success of their clients.
6. *Matching Funds* (non-EDA funds leverage for the implementation of the project): Project demonstrates local, state, and regional support through commitments from other grant sources.
7. *Project Readiness* (demonstration of ability to execute): project is ready for implementation, including provision of details on budget; State, local, regional funds to be leveraged with EDA Funds; and roles and responsibilities of partners. Successful project could be started within six months.
8. *Management Team* (experience and demonstrated capability of the project team): project principals must combine the right mix of business, organizing, and personality traits to inspire confidence in their capacity to anticipate risks and deliver results.
9. *Investment Appeal* (willingness of angel investors to provide investment): the accelerator side of the house must demonstrate the ability to raise funds from angel investors that will serve as both seed capital and underwriting costs.

VI. Draft Selection Criteria

It is assumed that there would be a limited level of funding available to provide a start-up subsidy. Therefore, there would be an RFP process with selection criteria. Project proposals must respond to the unique needs of an open working space as well as the business requirements of a well-run accelerator program.

Vermont Coworking and Accelerator Initiative

Four minimum eligibility requirements for projects are:

- 1) Location is within a population catchment area of > 4,000 people within 5 miles
- 2) At least one college or university campus reasonably accessible to the proposed site
- 3) Optional connection to gigabit fiber networks is available
- 4) Location exists within a designated downtown or village center

Additional criteria for project selection include:

- 1) Strength of mission statement and connection to a local and regional opportunity
- 2) Entrepreneurial experience, leadership and commitment of the management team
- 3) Diligence of market research including short-term target and long-term growth markets
- 4) Startup position, including demonstration of partnerships, grant income, tax-credits, third party investment, membership registration, etc.
- 5) Strength of plan for achieving financial sustainability including a plan for earned income, in-kind contributions and grant income over time
- 6) Strength of operational structure including budget and finances, staffing, and advisory board makeup
- 7) Strength of plan to provide services directly or through service provider network and partnerships
- 8) Marketing and recruitment plan, including selection process and criteria for accelerator participants
- 9) Plan to collect, interpret and communicate outcome and impact data over time
- 10) Internal controls, monitoring and accountability processes

VII. Potential Partners

Projects are encouraged to connect with, consult and leverage existing resources as they explore and define their business proposals. These include, but should not be limited to:

- Emerge Vermont
<http://emergevt.org>
- Fresh Tracks Capital
<http://www.freshtrackscap.com>
- LaunchVT
<http://launchvt.com>
- Your Local Regional Development Corporation
<http://accd.vermont.gov/business/partners/rdc>

Vermont Coworking and Accelerator Initiative

- StartupVT
<http://startupvt.org>
- Vermont Economic Development Authority (VEDA)
<http://veda.org>
- Venture Foundry
<http://venture-foundry.com>
- Vermont Chamber of Commerce
<http://www.vtchamber.com>
- Vermont Center for Emerging Technologies (VCET)
<http://www.vermonttechnologies.com>
- Vermont Small Business Development Corporation (VtSBDC)
<http://www.vtsbdc.org>
- Vermont Sustainable Jobs Fund (VSJF)
<http://www.vsjf.org>
- Vermont Technology Alliance (VtTA)
<http://vermonttechnologyalliance>